

October 31, 2001

EISNER PEDIATRIC & FAMILY MEDICAL CENTER

Karen Getman, Chairman
Fair Political Practices Commission
428 "J" Street, Suite 620
Sacramento, CA 95814

**RE: CONFLICT OF INTEREST REGULATIONS
SECTION 18707.4**

Dear Chairman Getman:

I am writing to you as a member of the L.A. Care Health Plan Board of Governors in support of L.A. Care's proposed changes to Section 18707.4 of the conflict of interest regulations. These changes are necessary for our Board to carry out our responsibilities as the guardians of this health plan.

I am one of 13 members of the L.A. Care Board of Governors. I am also the President and Chief Executive Officer of the Eisner Pediatric and Family Medical Center, a private, non-profit health center dedicated to providing high quality medical and dental services, children's day care, and early intervention programs that are affordable to all families regardless of income level. I have close to three decades of experience in the health care industry, including 11 years as a director of Planning for the Los Angeles Regional Family Planning Council and another six years as a private consultant providing marketing and strategic planning to the health care industry.

I was nominated to the Board by the Community Clinics' Association of Los Angeles County in accordance with the requirements of L.A. Care's authorizing statute and represent Free and Community Clinics. But I am often denied the opportunity to participate in the discussion and vote because of the conflict-of-interest rules.

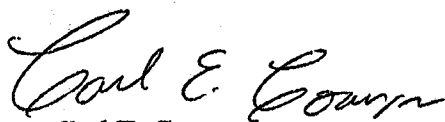
For example, I have not been able to vote on revisions to key segments of Annual Quality Management/Improvement Program, a program designed to increase the quality of medical care for members. The revisions included changes in implementation of facility site reviews, corrective action mechanisms, and peer review sanctions. Also, I have been unable to participate in and vote on L.A. Care's contract with the State Department of Health Services (SDHS). L.A. Care receives its funding through a contract with SDHS. These are decisions in which I cannot participate and share my expertise because the impact would directly apply to my clinic, which participates in L.A. Care's provider network through an IPA, even though these decisions would apply equally to all free and community clinics that contract to provide services for L.A. Care members.

As a result of the way the conflict-of-interest laws must be applied to our Board, some of L.A. Care's most important policy decisions are often made without the participation of some of the members with the greatest knowledge about the issues. This is highly inappropriate for a health plan of our size, given that determines the quality of care that is received by more than 700,000 Los Angeles County residents.

Most of the policy decisions made by the Board relate to the contractual terms that will be imposed on the health plans that provide services to L.A. Care's members. As a result of the way our authorizing statute is written, our contracts contain substantially the same terms and conditions for all providers of the same type. Thus, we are really no different from, for example, the California Board of Pharmacy, which establishes regulations for all of the licensed pharmacists in the state. We determine the policies that govern those providers that participate in L.A. Care. The physicians, hospitals, clinics and other stakeholders that do not choose to participate in L.A. Care's programs—usually because they do not treat the Medi-Cal population—cannot be affected by L.A. Care's decisions. Thus, we believe that members of our Board of Governors should be able to vote on those broadly applied policies that affect classes of providers in the same way under the "public generally" exception. In those cases in which we must decide an issue pertaining to a specific provider, however, we view abstentions because of conflict-of-interest laws as entirely appropriate and believe that the laws should continue to apply in those situations as they do today.

I strongly encourage you to consider amendments to Section 18707.4, the public generally provision, to permit boards like L.A. Care's to function appropriately and permit the needed discussion and participation by stakeholder board members when matters affecting the constituency generally come before the Board. The changes L.A. Care has proposed would allow me to receive the full input of all of my colleagues on the Board so that I can make informed decisions and carry out my duties as a Board member responsibly. We hope that you will consider our suggestions. If you have any questions, please feel free to call me at (213) 746-1037.

Regards,



Carl E. Coan
President and Chief Executive Officer

cc: The Honorable Members, Fair Political Practices Commission
John Wallace, Fair Political Practices Commission
Augustavia Haydel, General Counsel, L.A. Care Health Plan